

\* Except for expense reimbursement (approximately \$2,600) from MOSH Holding, LP which is in litigation. \*\* It is not customary in debtor's business of oil & gas exploration for debtor to carry insurance. Based on information and belief, operators of leases in which debtor has oil and gas interests carry insurance covering the debtor's interest.

CASE NAME: Texas Standard Oil Company  
CASE NUMBER: 08-34031-H4-11

### COMPARATIVE BALANCE SHEETS

ASSETS	FLING DATE*	MONTH Jul-08	MONTH Aug-08	MONTH Sep-08	MONTH Oct-08	MONTH Nov-08	MONTH Dec-08
<b>CURRENT ASSETS</b>							
Cash	37,874.01	62,869.92					
Accounts Receivable, Net	549,835.14	551,714.72					
Inventory: Lower of Cost or Market							
Prepaid Expenses							
Investments							
Other							
<b>TOTAL CURRENT ASSETS</b>	587,709.15	614,584.64	0.00	0.00	0.00	0.00	0.00
<b>PROPERTY, PLANT &amp; EQUIP. @ COST *</b>	132,336.83	132,336.83					
Less Accumulated Depreciation	69,099.56	70,799.86					
<b>NET BOOK VALUE OF PP &amp; E</b>	63,237.27	61,536.97	0.00	0.00	0.00	0.00	0.00
<b>OTHER ASSETS</b>							
1. Tax Deposits							
2. Capitalized Office Lease Improvements BV	40,208.40	40,107.40					
3. Electric Deposit							
4. Rent Deposit	4,478.73	4,478.73					
<b>TOTAL ASSETS</b>	\$695,633.55	\$720,707.74	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\* Per Schedules and Statement of Affairs per amendments to be filed

**MOR-2**

Revised 07/01/98

\* Does not include drilling costs as these costs are expensed and therefore not shown on the Balance Sheet.  
Includes Undeveloped Leasehold, capitalized Geological & Geophysical (seismic) and Lease & Well Equipment.

CASE NAME: Texas Standard Oil Company  
CASE NUMBER: 08-34031-H4-11

### COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE*	MONTH Jul-08	MONTH Aug-08	MONTH Sep-08	MONTH Oct-08	MONTH Nov-08	MONTH Dec-08
<b>LIABILITIES</b>							
POST-PETITION LIABILITIES(MOR-4)	06/26/08 0:00	121,907.97	0.00	0.00	0.00	0.00	0.00
<b>PRE-PETITION LIABILITIES</b>							
Notes Payable - Secured	0.00	0.00					
Priority Debt	21,900.00	21,900.00					
Federal Income Tax	0.00	0.00					
FICA/Withholding	0.00	0.00					
Unsecured Debt *	1,346,966.55	1,346,957.22					
Other							
<b>TOTAL PRE-PETITION LIABILITIES *</b>	1,368,866.55	1,368,857.22	0.00	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>	1,368,866.55	1,490,765.19	0.00	0.00	0.00	0.00	0.00
<b>OWNER'S EQUITY (DEFICIT)</b>							
PREFERRED STOCK							
COMMON STOCK							
ADDITIONAL PAID-IN CAPITAL	1,680.67	1,680.67					
RETAINED EARNINGS: Filing Date	(674,913.67)	(674,913.67)					
RETAINED EARNINGS: Post Filing Date		(96,824.45)	(96,824.45)	(96,824.45)			
<b>TOTAL OWNER'S EQUITY (NET WORTH)</b>	(673,233.00)	(770,057.45)	(96,824.45)	(96,824.45)	0.00	0.00	0.00
<b>TOTAL</b>							
<b>LIABILITIES &amp; OWNER'S EQUITY</b>	\$695,633.55	\$770,707.74	(\$96,824.45)	(\$96,824.45)	\$0.00	\$0.00	\$0.00

\* Per Schedules and Statement of Affairs

**MOR-3**

Revised 07/01/08

\* Judgments are not included in this statement as they are encompassed by Joint Interest Billing Statements (which amounts are included).

CASE NAME: Texas Standard Oil Company  
CASE NUMBER: 08-34031-H4-11

AGING OF POST-PETITION LIABILITIES  
MONTH Jul-08

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	MONTH
0-30	0.00		0.00	0.00	0.00	
31-60	121,887.36	121,887.36	0.00	0.00	0.00	
61-90	0.00		0.00	0.00	0.00	
91+	0.00		0.00	0.00	0.00	
TOTAL	\$121,887.36	\$121,887.36	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH	Jul-08				
0-30 DAYS	2,427.21				
31-60 DAYS					
61-90 DAYS					
91+ DAYS	549,287.51				
TOTAL	\$551,714.72	\$0.00	\$0.00	\$0.00	\$0.00

MOR-5

Revised 07/01/98

CASE NAME: Texas Standard Oil Company  
CASE NUMBER: 08-34031-H4-11

## STATEMENT OF INCOME (LOSS)

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
	Jul-08							
REVENUES (MOR-1)	34,096.85							34,096.85
TOTAL COST OF REVENUES	123,001.33							123,001.33
GROSS PROFIT	-88,904.48	0.00	0.00	0.00	0.00	0.00	0.00	-88,904.48
OPERATING EXPENSES:								
Selling & Marketing								0.00
General & Administrative	6,419.50							6,419.50
Insiders Compensation								0.00
Professional Fees								0.00
Other								0.00
Other								0.00
TOTAL OPERATING EXPENSES	6,419.50	0.00	0.00	0.00	0.00	0.00	0.00	6,419.50
INCOME BEFORE INT, DEPR/TAX (MOR-1)	-95,323.98	0.00	0.00	0.00	0.00	0.00	0.00	-95,323.98
INTEREST EXPENSE	246.80							246.80
DEPRECIATION	1,801.30							1,801.30
OTHER (INCOME) EXPENSE*	-547.63							-547.63
OTHER ITEMS**								0.00
TOTAL INT, DEPR & OTHER ITEMS	1,500.47	0.00	0.00	0.00	0.00	0.00	0.00	1,500.47
NET INCOME BEFORE TAXES	-96,824.45	0.00	0.00	0.00	0.00	0.00	0.00	-96,824.45
FEDERAL INCOME TAXES								0.00
NET INCOME (LOSS) (MOR-1)	(\$96,824.45)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	(\$96,824.45)

Accrual Accounting Required, Otherwise Footnote with Explanation.

\* Footnote Mandatory.

\*\* Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

MOR-6

\* Rent reimbursement

Revised 07/01/98

CASH RECEIPTS AND DISBURSEMENTS						FILING TO DATE
	MONTH Jul-08	MONTH	MONTH	MONTH	MONTH	
1. CASH-BEGINNING OF MONTH	\$37,816.15		\$0.00	\$0.00	\$0.00	\$37,816.15
<b>RECEIPTS:</b>						
2. CASH SALES	31,846.65					31,846.65
3. COLLECTION OF ACCOUNTS RECEIVABLE	547.63					547.63
4. LOANS & ADVANCES (attach list)	0.00					0.00
5. SALE OF ASSETS	0.00					0.00
6. OTHER (attach list)	0.00					0.00
TOTAL RECEIPTS**	32,394.28	0.00	0.00	0.00	0.00	32,394.28
(Withdrawal) Contribution by Individual Debtor MFR-2*						0.00
<b>DISBURSEMENTS:</b>						
7. NET PAYROLL	0.00					0.00
8. PAYROLL TAXES PAID	0.00					0.00
9. SALES, USE & OTHER TAXES PAID	0.00					0.00
10. SECURED/RENTAL/LEASES	4,631.39					4,631.39
11. UTILITIES & TELEPHONE	279.40					279.40
12. INSURANCE						0.00
13. INVENTORY PURCHASES						0.00
14. VEHICLE EXPENSES						0.00
15. TRAVEL & ENTERTAINMENT	644.51					644.51
16. REPAIRS, MAINTENANCE & SUPPLIES	1,460.21					1,460.21
17. ADMINISTRATIVE & SELLING						0.00
18. OTHER (attach list)						0.00
TOTAL DISBURSEMENTS FROM OPERATIONS	7,015.51	0.00	0.00	0.00	0.00	7,015.51
19. PROFESSIONAL FEES						0.00
20. U.S. TRUSTEE FEES	325.00					325.00
21. OTHER REORGANIZATION EXPENSES (attach list)						0.00
TOTAL DISBURSEMENTS**	7,340.51	0.00	0.00	0.00	0.00	7,340.51
22. NET CASH FLOW	25,053.77	0.00	0.00	0.00	0.00	25,053.77
23. CASH - END OF MONTH (MOR-2)	\$62,869.92	\$0.00	\$0.00	\$0.00	\$0.00	\$62,869.92

Revised 07/01/98

\*\*\*Numbers for the current month should balance (match)  
RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

**MOR-7**

CASE NAME: Texas Standard Oil Company  
CASE NUMBER: 08-34031-H4-11

# CASH ACCOUNT RECONCILIATION

MONTH OF Jul-08

BANK NAME	Encore Bank	#	PAYROLL	Encore Bank	OTHER FUNDS	TOTAL
ACCOUNT NUMBER	#30323489			#30323497		
ACCOUNT TYPE	OPERATING			TAX		
BANK BALANCE	0.00			0.00		\$0.00
DEPOSITS IN TRANSIT						\$0.00
OUTSTANDING CHECKS						\$0.00
ADJUSTED BANK BALANCE	\$0.00		\$0.00	\$0.00		\$0.00
BEGINNING CASH - PER BOOKS	37,874.01					\$37,874.01
RECEIPTS*	32,336.42					\$32,336.42
TRANSFERS BETWEEN ACCOUNTS (WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MPR-2						\$0.00
CHECKS/OTHER DISBURSEMENTS*	7,340.51					\$7,340.51
ENDING CASH - PER BOOKS	\$62,869.92		\$0.00	\$0.00	\$0.00	\$62,869.92

**MOR-8**

\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7

Revised 07/01/98



CASE NAME: Texas Standard Oil Company  
CASE NUMBER: 08-34031-H4-11

## PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals. Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.) (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.	0.00					
2.						
3.						
4.						
5.						
6.						
TOTAL INSIDERS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

PROFESSIONALS	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
1.	0.00					
2.						
3.						
4.						
5.						
6.						
TOTAL PROFESSIONALS (MOR-1)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Revised 07/01/98

**MOR-9**